



A Market Leader in
Security, Cash Logistics
& Facility Management

Q3 & 9M FY18 RESULTS PRESENTATION

January 29, 2018

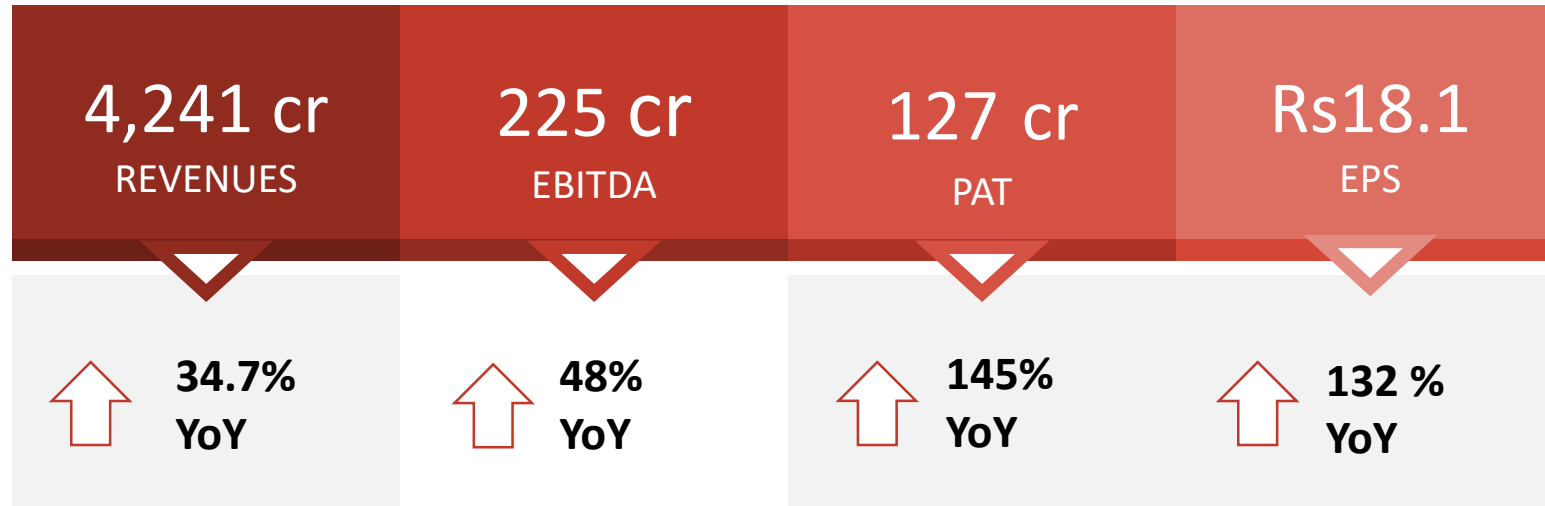
SAFE HARBOUR

This presentation and the accompanying slides (the “Presentation”), which have been prepared by Security and Intelligence Services (India) Limited (the “Company”), have been prepared solely for information purposes and do not constitute any offer, recommendation or invitation to purchase or subscribe for any securities, and shall not form the basis or be relied on in connection with any contract or binding commitment whatsoever. No offering of securities of the Company will be made except by means of a statutory offering document containing detailed information about the Company.

This Presentation has been prepared by the Company based on information and data which the Company considers reliable, but the Company makes no representation or warranty, express or implied, whatsoever, and no reliance shall be placed on, the truth, accuracy, completeness, fairness and reasonableness of the contents of this Presentation. This Presentation may not be all inclusive and may not contain all of the information that you may consider material. Any liability in respect of the contents of, or any omission from, this Presentation is expressly excluded.

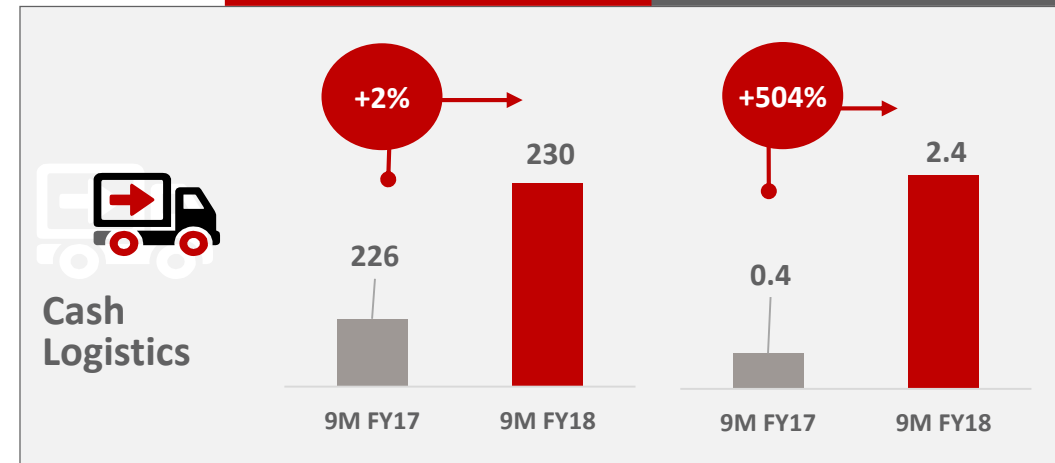
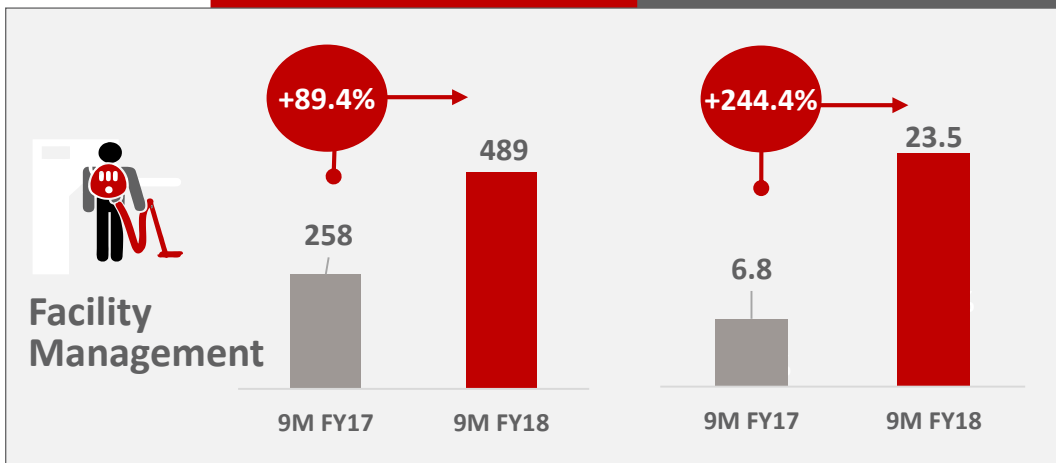
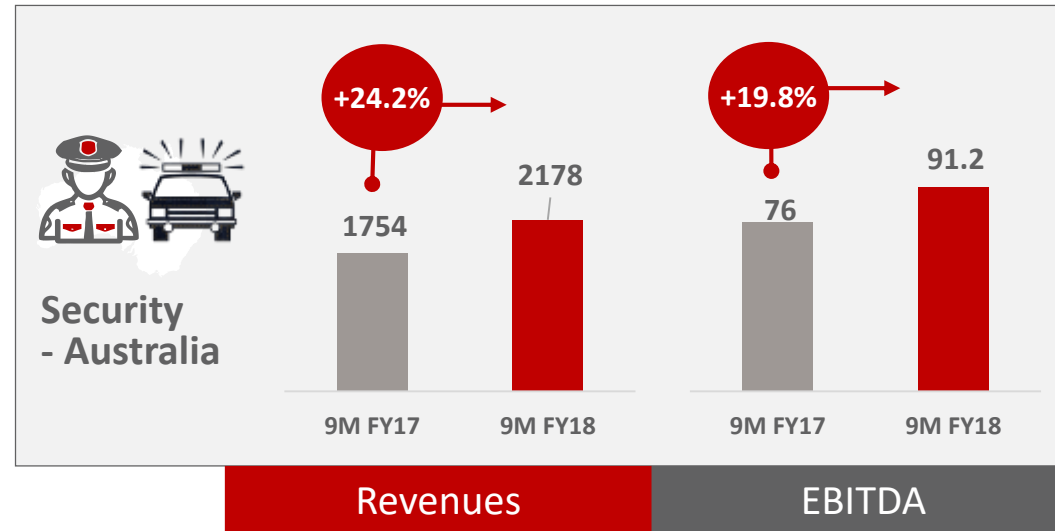
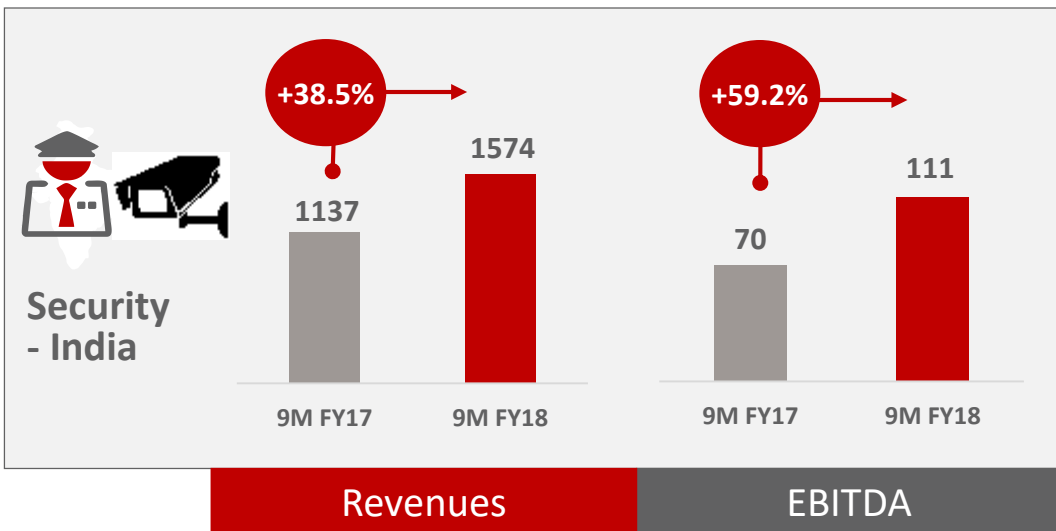
This presentation contains certain forward looking statements concerning the Company’s future business prospects and business profitability, which are subject to a number of risks and uncertainties and the actual results could materially differ from those in such forward looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, competition (both domestic and international), economic growth in India and abroad, ability to attract and retain highly skilled professionals, time and cost over runs on contracts, our ability to manage our international operations, government policies and actions regulations, interest and other fiscal costs generally prevailing in the economy. The Company does not undertake to make any announcement in case any of these forward looking statements become materially incorrect in future or update any forward looking statements made from time to time by or on behalf of the Company.

RESULTS HIGHLIGHTS – 9M FY18



Market leader across three attractive business services segments
- Security, Cash Logistics and Facility Management

RESULTS BY BUSINESS LINE – 9M FY18



Rs in cr

Strong organic growth across all service segments with 0.5% EBITDA margin improvement

READY FOR INORGANIC GROWTH

Revised Credit Rating

A+

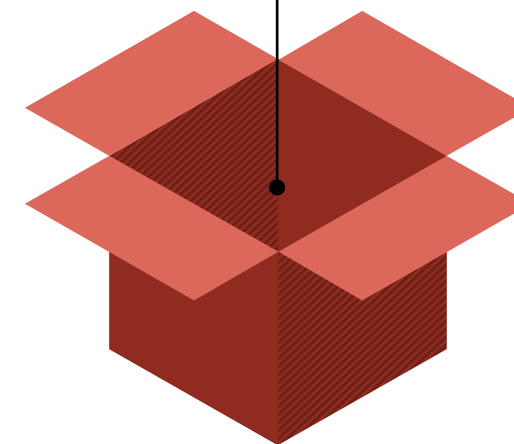
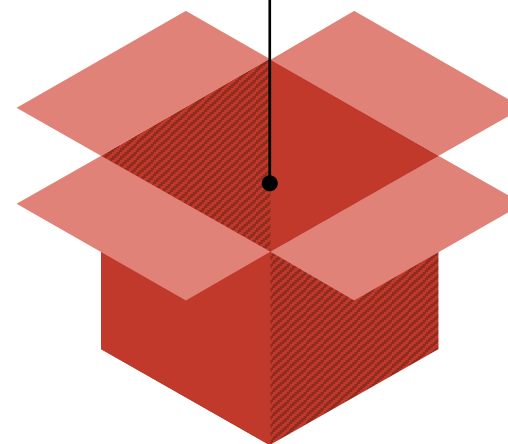
- Credit rating enhanced by ICRA by two notches from **A-** to **A+**
- Reduced cost of borrowing
- Ability to tap newer sources of funding

Resource Mobilisation

Rs1000 cr

- Acquisition corpus funding being tied up at attractive terms
- Average cost likely to be under 7.5%

India	Australia
<ul style="list-style-type: none"> Discussions ongoing for NCD/ NBFC/ Senior secured line of upto Rs400 cr 	<ul style="list-style-type: none"> AUD 120 Mn revolving acquisition line <6.5% all in cost To be serviced from Aus P&L



Inorganic push in FY19 with strong M&A pipeline and Funding access



Q3 FY18 RESULTS

BY BUSINESS LINE



RESULTS HIGHLIGHTS – Q3 FY18



Revenues

↑ 35%*

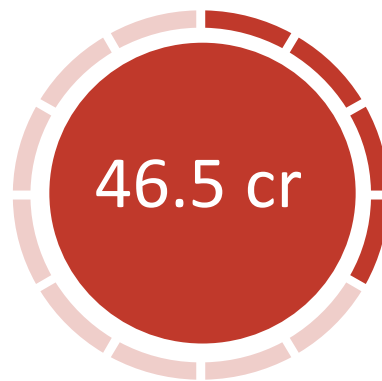
Strong revenue growth despite GST headwinds



EBITDA

↑ 41%*

Operating leverage in India security and Facility Mgt. due to scale benefits



PAT

↑ 113%*

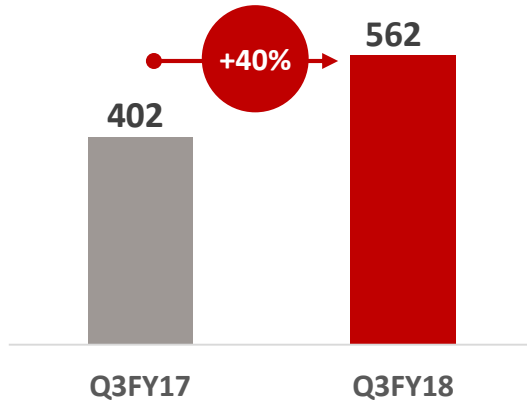
Reduction in interest costs post IPO and increased operating profits led to a steep increase in PAT



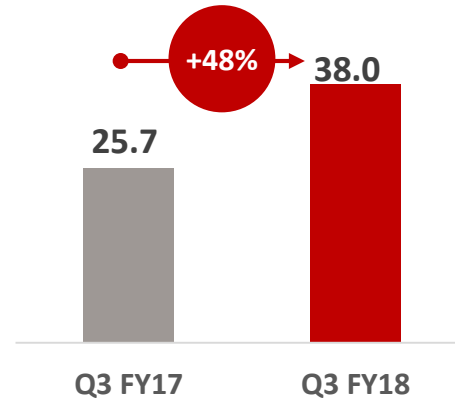
*YoY growth

Revenues

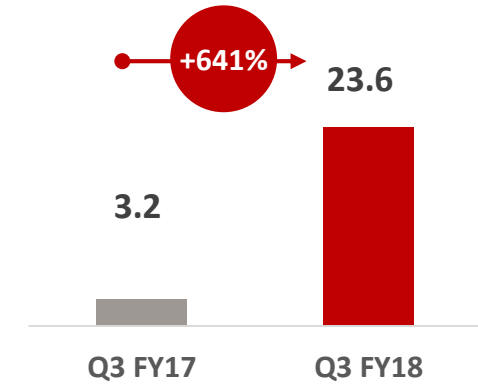
Rs. In crs



EBITDA



PAT



Growth of 40%, - fully organic, strong volume growth of 19%

Operating leverage driving margin increase from 6.4% in Q3FY17 to 6.8% in Q3FY18

PAT % increased from 0.8% to 4.2% driven by higher EBITDA, lower interest costs



Strong order pipeline for Q4, robust opening monthly revenue run rate for Q1FY19



Major push towards Electronic Security – Mantech project rolled out. 4 Tech Hubs, 151 Branches equipped for ManTech Sales



Reinventing our training with mTrainer - proprietary customer site training application



108,627 Trained security personnel

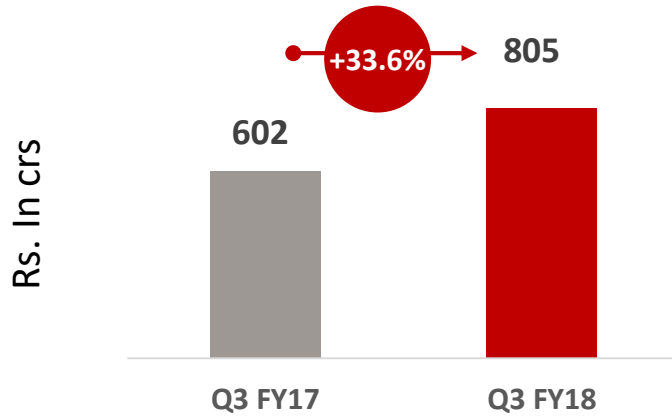
151 Branch Office Network

12,097 Customer sites

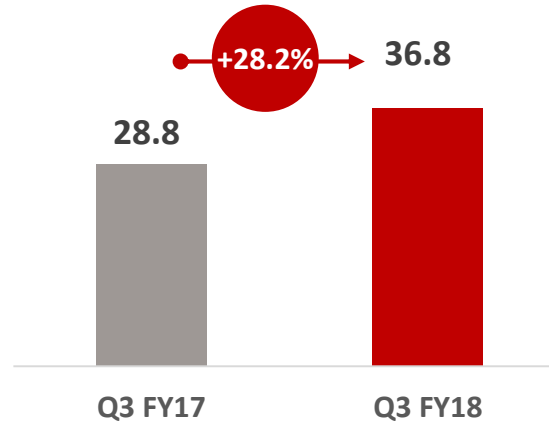


SECURITY - AUSTRALIA

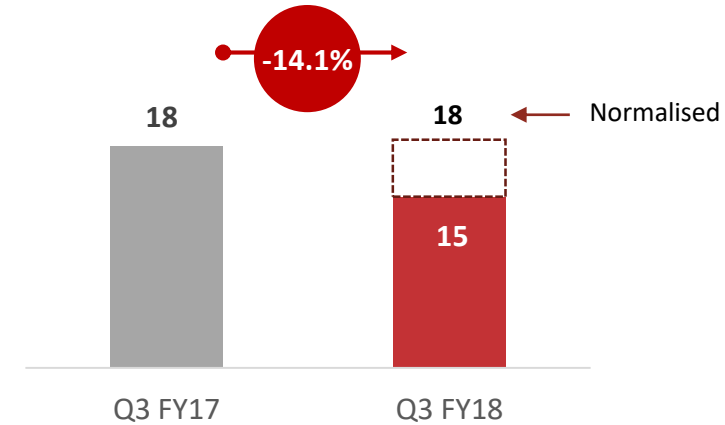
Revenues



EBITDA



PAT



33.6% record revenue growth
Organic growth of 13.4%, >5X Australia
GDP growth

28.2% EBITDA growth, SXP maintaining 7%
EBITDA margin. To uplift blended margin in
coming quarters

Reported PAT decline YoY due to notional
interest on fair value consideration for SXP



Robust pipeline for Q4, strong monthly revenue run rate for Q1FY19

Bundled offerings with static guarding, mobile patrols, electronic security & loss prevention gaining traction

Rs5 cr SXP-MSS synergy and savings to accrue in FY19 and partly in FY20

21%

Market share

#1

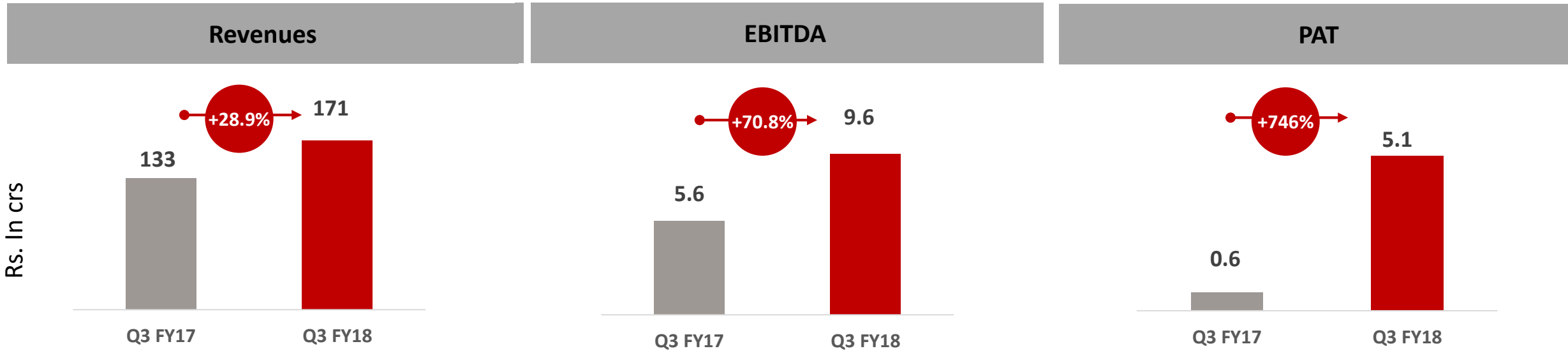
Mobile patrolling

#1

Aviation security



FACILITY MANAGEMENT



29% growth in facility management – completely organic; volume growth of 14%

Step increase in EBITDA margins from 4.2% to 5.6%

PAT margin moved from 0.5% to 3.0%, despite higher interest expense



A SIS Group Enterprise



Strong revenue pipeline for Q4, robust revenue run rate for Q1FY19

DTSS and SMC Team reorganization for Hard Services (MEP) push

Specialist IFM programs for healthcare and pharma

Specialist team for B2G opportunity

41,069

Skilled workforce

59

Branch Network

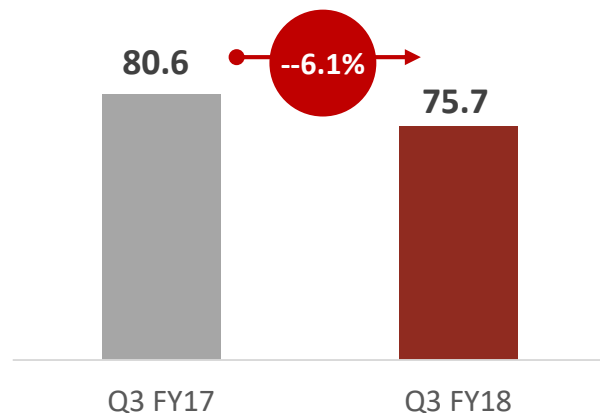
2,825

Customer sites



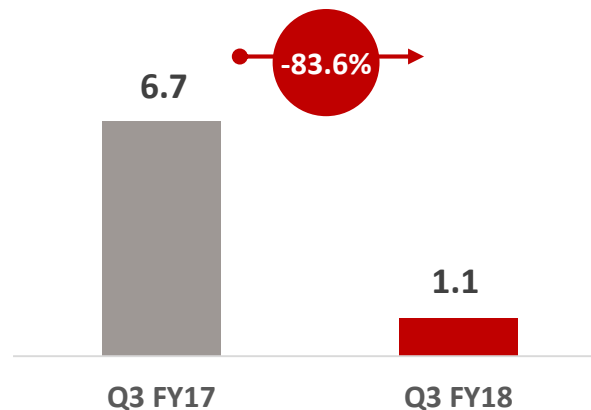
CASH LOGISTICS

Revenues



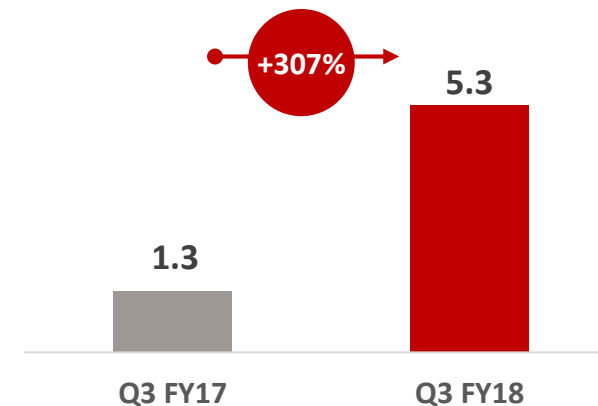
Revenue decline due to portfolio rationalisation

EBITDA



EBITDA decline due to increased bad debts and back dated reconciliation claims

PAT



Increase in PAT due to deferred tax impact



Continued pressure on pricing and margins despite currency circulation recovering to pre demonetization levels

Introduction of regulation by Ministry of Home Affairs imminent – impact unknown

Introduction of Rs200 denomination notes – one time ATM recalibration fee under negotiation



2.2 lakh cr
Aug 2016

ATM monthly
trans. value

2.5 lakh cr
Oct. 2017

75 cr
Aug 2016

ATM monthly
trans. volumes

74.1 cr
Oct. 2017

Industry data





Q3/ 9M FY18

Financial Information



FINANCIAL STATEMENTS

Rs. In crs

Income Statement

Particulars	Q3 FY18	Q3 FY17	Y-o-Y	9M FY18	9M FY17	Y-o-Y
Revenue from operations	1,537.7	1,137.6	35.2%	4,241.2	3,149.1	34.7%
EBITDA	84.3	59.9	40.7%	225.4	152.3	48.0%
Share of net profit /(loss) of Associates	1.5	0.4	297.4%	-6.1	-7.1	-13.3%
Depreciation and amortisation expense	12.5	11.3	10.8%	37.7	25.6	47.1%
Other Income	3.7	3.3	13.2%	31.6	8.0	296.7%
Finance costs	20.0	24.1	-16.7%	64.8	52.3	23.8%
Profit before Tax	57.0	28.3	101.8%	148.4	75.3	97.1%
Tax expense	10.5	6.4	63.4%	21.4	23.5	-8.8%
Profit after taxes	46.5	21.8	113.1%	127.0	51.8	145.1%
Profit after tax %	3.0%	1.9%		3.0%	1.6%	
EPS	6.45	3.27	97.2%	18.11	7.80	132.2%
Diluted EPS	6.34	3.21	97.5%	17.79	7.74	129.8%

Balance Sheet

Particulars	31 Dec 2017	31 Mar 2017
Non current assets	1,087.3	674.2
Current assets	1,298.2	923.5
Total assets	2,385.5	1,597.7
Non current liabilities	372.7	171.3
Current liabilities	732.4	585.2
Total liabilities	1,105.1	756.6
Net assets	1,280.4	841.1
Net debt	220.6	256.6
Equity	1,059.8	584.6
Capital employed	1,280.4	841.1

132% increase in EPS from Rs7.8 in 9MFY17 to Rs18.1 in 9MFY18

9M FY18 RESULTS – KEY NUMBERS

34.7%
revenue
growth

48.0%
EBITDA
growth

145%
PAT
growth

Rs2/sh
Interim
dividend

48 bps
EBITDA
margin
expansion






140 bps
PAT
margin
expansion

132%
EPS
growth

24.5%
ROCE

24.9%
RONW

LOOKING AHEAD

 <p>Growth</p>	 <p>Productivity & Margins</p>	 <p>Return Ratios</p>	 <p>Technology</p>	 <p>M&A</p>
<p>Strong revenue pipeline across business lines for Q4 and Q1 FY19</p> <p>Scalability and predictability reinforced</p>	<p>Operating leverage in India Security</p> <p>India FM rapidly expanding margins</p> <p>SXP deal synergy extraction in AUS</p>	<p>Continued strength in ROCE and RONW testament to financial discipline</p>	<p>FY19 focus on business process re-engineering & reaping full benefits from iOPS and SalesMaxx rollouts</p>	<p>Strong deal pipeline</p> <p>Acquisition funding of Rs1000 cr being lined up at <7.5% average cost</p>



VISION 2020
— BIGGER & BETTER —



Security Services

Cash Logistics

Facility Management



A Market Leader in
Security, Cash Logistics
& Facility Management

CIN: L75230BR1985PLC002083

Mr. Vamshidhar Guthikonda

Email : vamshidhar@sisindia.com

Website : www.sisindia.com

SGA Strategic Growth Advisors

CIN: U74140MH2010PTC204285

Mr. Pankaj Chhaochharia

Email : pankaj.c@sgapl.net

Website : www.sgapl.net